

Nearly 70 Members of Congress join Welch in urging House Speaker to retain amendment in final health care bill

Sixty-nine Members of Congress have joined Rep. Peter Welch in an effort to ensure that final health care reform legislation includes a provision requiring the federal government to negotiate prescription drug prices directly with pharmaceutical companies.

In a letter to Speaker of the House Nancy Pelosi, Welch and his colleagues urged her to retain the provision, which would reduce drug prices for seniors enrolled in Medicare Part D and lower costs to taxpayers. Welch successfully included the provision in health reform legislation passed by the Energy and Commerce Committee in July.

Welch wrote in the letter, “We strongly believe that the federal government should use its purchasing power to lower the cost of prescription drugs for senior citizens as well as taxpayers. Any health care legislation signed into law should give authority for the Secretary of Health and Human Services to negotiate with drug companies to lower drug prices within the Medicare Part D program.”

In 2004 Congress – at the urging of the pharmaceutical industry – barred HHS from negotiating Medicare Part D prices directly with drug companies. One of Welch’s first votes after taking office in January 2007 was to reverse that decision. While that bill – the Medicare Prescription Drug Price Negotiation Act (H.R. 4) – passed the House by an overwhelming majority, it failed to pass in the Senate.

Welch’s letter to the Speaker is copied below:

October 1, 2009

Dear Madam Speaker:

Thank you for your efforts to enact the most comprehensive health reform in over forty years. The House Tri-Committee bill will ensure quality of care, reform our health insurance system, cover millions of uninsured Americans, and contain costs. We are proud of the work the House has done under your strong leadership.

We strongly believe that the federal government should use its purchasing power to lower the cost of prescription drugs for senior citizens as well as taxpayers. Any health care legislation signed into law should give authority for the Secretary of Health and Human Services to negotiate with drug companies to lower drug prices within the Medicare Part D program. This requirement was included in HR 3200 during the Energy and Commerce Committee markup in July.

In 2008, an Oversight and Government Reform Committee report found that Medicare Part D insurers pay significantly higher prices for prescription drugs than the Medicaid program. It found that, if Medicare negotiated directly with drug manufacturers and obtained prices equivalent to the Medicaid prices for all Medicare beneficiaries, the potential savings to taxpayers would be \$156 billion.

As you know, legislation to require drug price negotiation in the Medicare Part D program passed the House in 2007 by a vote of 255-170 with strong bipartisan support and 198 cosponsors. It was supported by AARP, National Committee to Preserve Social Security and Medicare, Consumers Union, the American Nurses Association, the Leadership Council of Aging Organizations, the American Medical Association, National Community Pharmacists Association, and many other organizations.

Requiring the Secretary to negotiate drug prices under Medicare Part D will contain program costs at a time when health care spending is growing at an unsustainable rate. We urge you to continue the fight to lower drug costs for America's seniors by preserving this important

provision in HR 3200.

Sincerely,

Peter Welch
Member of Congress